

**IOWA FINANCE AUTHORITY  
BOARD MEETING MINUTES**

**Iowa Historical Building  
600 E. Locust Street  
Des Moines, Iowa**

**January 10, 2007**

**BOARD MEMBERS PRESENT**

Vince Lintz, Chair  
Kay Anderson, Vice Chair  
Carmela Brown, Treasurer  
Steve Adams (via telephone)

Virginia Bordwell  
Roger Caudron (via telephone)  
Heather Kramer  
Douglas Walter (via telephone)

**STAFF MEMBERS PRESENT**

Bret Mills, Executive Director  
Linda Berg, Title Guaranty Business  
Development Director  
Roger Brown, Housing Programs Compliance  
Director  
Joseph Jones, Director of Government  
Relations  
Shawna Lode, Communications Director

Sharon Murphy, Housing and Grants  
Specialist  
Loyd Ogle, Director of Title Guaranty  
Division  
Carla Pope, Director of Affordable Rental  
Production  
James Smith, CFO/Deputy Director  
Mark Thompson, General Counsel  
Nancy Wallis, Administrative Assistant

**OTHERS PRESENT**

Kristi Boyce – Wells Fargo Bank Iowa, NA  
Bob Burns – Burns & Burns, L.C.  
Al Collet – Iowa Department of Economic  
Development  
Jim Conlin – Conlin Properties  
Tim Fox – Charles City, Iowa  
David Grossklaus – Dorsey & Whitney Law  
Firm  
Al Hans – Piper Jaffray  
Irene Hardisty – Fannie Mae  
Scott Jones – Partners Management Group

Linda Kniep – Ahlers & Cooney Law Firm  
Kirsten Kraig – George K. Baum Company  
Jina Lilly – State Treasurer's Office  
Sheila Lumley – Polk County Housing  
Trust Fund  
Anne Posegate – Partners Management  
Group  
Bruce Ray – U.S. Department of Housing  
and Urban Development  
Minniette Williams – Wells Fargo Bank  
Iowa, NA

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**CALL TO ORDER**

Chair Lintz called to order the January 10, 2007, regular meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:20 a.m. Roll call was taken and a quorum was established with the following members present: Lintz, Anderson, Bordwell, Brown, Caudron, Kramer and Walter.

## **REVIEW AND APPROVAL OF MINUTES**

### **December 6, 2006**

Chair Lintz introduced the minutes of the December 6, 2006, regular meeting of the IFA Board of Directors.

**MOTION:** On a motion by Ms. Anderson and a second by Ms. Brown, the Board unanimously approved the minutes of the December 6, 2006, Board meeting.

## **ADMINISTRATION / MANAGEMENT REPORT**

Mr. Mills distributed IFA's Performance Report for FY 2006. He said he plans to provide a quarterly report to update the Board on IFA's performance targets and measures.

Mr. Mills shared a copy of the new annual report that will be ready for distribution by the end of the week.

Mr. Mills announced that Mr. Joseph Jones was recently hired as IFA's Director of Government Relations. He said Mr. Jones was most recently employed in the Lt. Governor's office.

Ms. Brown asked if the Performance Report was the annual report based on the strategic planning sessions. Mr. Mills said IFA is required to submit a Performance Report to the Department of Management each January. He noted the strategic planning sessions will take place in the spring in preparation for the FY 2008 budget.

## **LEGAL / REGULATORY**

### **Withdrawal of Waiver Request for LIHTC #06-13, Irving Point**

Mr. Thompson reported that Mr. Burns had withdrawn his request for a waiver shortly after the December Board meeting. He noted, however, that on Monday, January 8, 2007, Mr. Burns asked for the Board to consider the waiver again. Mr. Thompson said there was no immediate action required by the Board, but the request may appear on the agenda for the February 7, 2007, Board meeting.

## **FINANCE AND ACCOUNTING**

### **Review of Financial Statement**

Mr. Smith presented the November financial results and said the operating income for IFA as a housing agency is favorable to budget, as is the operating income for the State Revolving Fund (SRF).

### **Approval of October 2006 Financial Statement**

**MOTION:** On a motion by Ms. Brown and a second by Ms. Bordwell, the Board unanimously approved the November 2006 Financial Statements.

### **Single-Family Programs Report**

Mr. Smith announced that IFA is planning to change the down payment assistance offered through the FirstHome Plus Program. IFA will now offer a flat rate of \$2,500 to qualified home-buyers, instead of the current 3 percent.

### **Single Family Authorizing Resolution**

Mr. Smith introduced the resolution authorizing the issuance of Single-Family Mortgage Bonds in an amount not to exceed \$90 million. He said IFA expects to issue about \$70 million.

Mr. Smith noted that approximately half of this issue will be taxable bonds, which preserves volume cap for future issues. He explained that the financing will utilize about \$20 million of IFA's 2007 volume cap, and will fund approximately \$70 million in new mortgage loans under the FirstHome Program. Mr. Smith also said the resolution allows the use of variable rate bonds.

Mr. Smith stated that IFA expects to price the bonds in late January and close the issue in March.

**MOTION:** Mr. Walter made a motion approving the resolution adopting and approving series resolutions relating to Single-Family Mortgage Bonds, 2007 Series A, 2007 Series B and 2007 Series C, and authorizing the issuance, sale and delivery of the Authority's Single-Family Mortgage Bonds pursuant to such series resolutions; authorizing the execution and delivery of one or more Contracts of Purchase and a Continuing Disclosure Agreement; and delegating certain responsibilities to the Executive Director for finalizing certain matters, forms and contents of certain documents. On a second by Ms. Bordwell, the Board unanimously approved the resolution.

### **Capital Adequacy Report Update**

Mr. Smith introduced Mr. Al Hans of Piper Jaffray, who noted that IFA is three years into the plan for the Capital Adequacy Study. Mr. Hans stated his organization has found no material variances from the projections made in the original study. He said IFA's loan volume is up significantly and the Mortgage-Backed Securities are about 4 percent higher than projected. Mr. Hans provided additional details and noted that IFA received a positive report from Standard & Poor's in December 2006 which indicated the potential of an upgrade to a "AA" rating next year.

Steve Adams connected to the conference call at 11:35 a.m.

## **ECONOMIC DEVELOPMENT LOAN PROGRAM**

### **ED Loan #06-27, Boys and Girls Home and Family Services, Inc. Project**

Mr. Smith asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$22,000,000 of Iowa Finance Authority Community Provider Revenue Refunding Bonds for the Boys and Girls Home and Family Services, Inc. Project in Sioux City. He said the bonds will be used to refund bonds issued in 1998 and 2000 and to fund a reserve fund. Mr. Smith noted that the prior bonds were used to construct, equip and renovate a facility at 2101 Court Street in Sioux City. He stated the project will not require Private Activity Bond Cap.

Public Hearing: Chair Lintz opened the public hearing at 11:36 a.m. regarding the issuance of an amount not to exceed \$22,000,000 of Iowa Finance Authority Community Provider Revenue Refunding Bonds for the Boys and Girls Home and Family Services, Inc. Project in Sioux City. Mr. Smith said IFA had received no written or verbal comments regarding the project. There being no comments from the audience, Chair Lintz closed the public hearing at 11:37 a.m.

Mr. Smith introduced the authorizing resolution for \$22,000,000 of Iowa Finance Authority Community Provider Revenue Refunding Bonds for the Boys and Girls Home and Family Services, Inc. Project in Sioux City. He said the bonds will be used to refund bonds issued in 1998 and 2000 and to fund a reserve fund.

#### **RESOLUTION #06-27B**

MOTION: Mr. Caudron made a motion to approve the resolution approving an application and authorizing the issuance of not to exceed \$22,000,000 Iowa Finance Authority Community Provider Revenue Refunding Bonds (Boys and Girls Home and Family Services, Inc. Project) in one or more series, for the purpose of making a loan to assist the Borrower in refunding existing bonds, authorizing the execution and delivery of certain financing documents pertaining to the refunding, authorizing an assignment of certain financing documents for further securing the payment of the bonds, authorizing the sale of the bonds, authorizing the appointment of a trustee, and related matters. On a second by Ms. Anderson, the Board unanimously approved Resolution #06-27B.

#### **ED Loan #06-28, CHF - Des Moines, LLC Project**

Mr. Smith introduced an application for \$38,000,000 of Iowa Finance Authority Variable Rate Demand Student Housing Revenue Bonds for CHF-Des Moines, LLC Project at Drake University. He explained that CHF stands for Collegiate Housing Foundation, a non-profit 501(c)(3) organization that assists colleges and universities in providing student and faculty housing. Mr. Smith said the bonds will be used to construct a 457-bed student housing community on the Drake University campus. He noted the project will not require private activity bond cap.

In answer to questions from Board members, Ms. Linda Kniep of Ahlers and Cooney Law Firm stated the project location was north of University Avenue just off 31<sup>st</sup> Street. She said the developer held neighborhood meetings and had the support of the neighborhood organizations before proceeding with the plans. Ms. Kniep also noted that this project would not replace current university housing, but would provide additional housing for graduate students and possibly some faculty.

#### **RESOLUTION #06-28A**

MOTION: Mr. Adams made a motion to approve the application for \$38,000,000 of Iowa Finance Authority Variable Rate Demand Student Housing Revenue Bonds (Drake University Project), Series 2007, for CHF – Des Moines, LLC (the “Borrower”), and evidencing the intent to proceed with the issuance of not to exceed \$38,000,000 Variable Rate Demand Student Housing Revenue Bonds. On a second by Ms. Bordwell, the Board unanimously approved Resolution #06-28A.

### **ED Loan #06-16, Boulder Ridge (Merit Washington Square) Project**

Mr. Smith introduced the amending resolution for \$4,800,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for the Merit Washington Square Project in Des Moines. He said the resolution allows for the extension of the maturity of bonds issued in 1984, which were used to construct a multifamily apartment complex at 3861 Woodland Avenue in Des Moines.

### **RESOLUTION #06-16B-1**

**MOTION:** Ms. Anderson made a motion to approve the resolution amending the resolution authorizing the issuance of not to exceed \$4,800,000 Iowa Finance Authority Multifamily Housing Revenue Bonds (Merit Washington Square Investors Project), for the purpose of making a loan to assist the borrower in the refunding of certain prior bonds, authorizing the execution and delivery of certain financing documents pertaining to the project, authorizing an assignment of certain financing documents for further securing the payment of the bonds, authorizing the sale of the bonds, and related matters. On a second by Ms. Kramer, the Board unanimously approved Resolution #06-16B-1.

## **STATE REVOLVING FUND PROGRAM**

### **Planning and Design Loan Resolution**

Mr. Smith introduced a resolution to approve Planning and Design Loans for the cities of Slater, Sioux City, Tiffin, Boone, Sergeant Bluff and Albert City, and for Regional Utility Service Systems for the City of Mount Union. He stated the loans will be at 0 percent interest for up to three years, with the funds to be used for the planning and design phases of wastewater and drinking water infrastructure projects. Mr. Smith said the total for these projects is \$1,476,000. He noted that with the adoption of this resolution, IFA has approved Planning and Design Loans for 88 projects totaling \$20,745,094.

**MOTION:** On a motion by Ms. Bordwell and a second by Ms. Brown, the Board unanimously approved the Planning and Design Loan Resolution.

### **Iowa Natural Heritage Foundation – Upper Iowa River Project Amending Resolution**

Mr. Smith introduced an amending resolution for the loan to Iowa Natural Heritage Foundation (INHF) that the Board approved at the December Board meeting. He said INHF has requested an extension of the loan term from three years to a term not to exceed five years. Mr. Smith explained that INHF wanted the longer term to allow additional time to secure funding for the project. He noted that the proposed loan would be made with Kerndt Brothers Savings Bank in Lansing, Iowa.

**MOTION:** Mr. Walter made a motion to approve the amending resolution authorizing a loan term of not to exceed five years on a loan in an amount not to exceed \$4,300,000 originally approved on December 6, 2006. On a second by Ms. Anderson, the Board unanimously approved the amending resolution.

## **HOUSING PROGRAMS**

### **Single-Family Programs**

#### **Resolution – TIF-Backed Loan to Charles City Area Development Corporation**

Ms. Murphy introduced the resolution for additional tax increment financing loan funds for the Charles City Area Development Corporation in an amount not to exceed \$101,011 for the development of four single-family homes and four condominiums. She explained that the loan would provide down payment assistance for people at or below 80 percent of the area median income in the form of \$20,000 forgivable loans.

Ms. Murphy introduced Mr. Tim Fox, Executive Director of Charles City Area Development Corporation, who explained that this would be the second phase of a subdivision. The eight units proposed would be listed for approximately \$175,000, then reduced by the \$20,000 forgivable loan, which is applied at the rate of 20 percent per year for five years.

Ms. Murphy said the first phase of the subdivision, which also received assistance from IFA, consisted of 18 homes, 15 of which have been sold.

**MOTION:** Ms. Anderson made a motion to approve the funding of a loan to the Charles City Area Development Corporation in an amount not to exceed \$101,011, with an interest rate not to exceed 4 percent, an origination fee not to exceed 1 percent, and a term not to exceed 20 years. On a second by Ms. Anderson, the Board unanimously approved the resolution.

### **Housing Programs Compliance**

#### **Award of Contract Pursuant to RFP for Tenant Rental Assistance Certification Services**

Mr. Brown explained that IFA is engaged in a contract with U.S. Department of Housing and Urban Development (HUD) to provide performance-based contract administration of the project-based housing assistance payments contracts. He said the contract requires IFA to have the ability to perform the tenant rental assistance certification, for which IFA engages a subcontractor. Mr. Brown noted that the Iowa Administrative Code requires the RFP for that contract to be reviewed on a regular basis. He said a new RFP was posted in November 2006 in several locations and mailed to six vendors who provide such services.

Mr. Brown stated that a committee reviewed all responses and made a recommendation to IFA's Executive Director, who has selected EPS, Inc. of Burlington, Vermont. He said the term of the contract will be two years with three separate one-year extension opportunities.

**MOTION:** On a motion by Ms. Bordwell and a second by Ms. Brown, the Board unanimously approved the Executive Director's selection and authorized the Executive Director to sign the contract with EPS, Inc. to provide tenant rental assistance certification.

## **TITLE GUARANTY DIVISION (TGD)**

Mr. Ogle provided a brief update on TGD, reporting that revenue in November was \$395,737. He said TGD staff participated in Kaizen training in November and are implementing several new or revised processes, including the opportunity for production staff, as a team, to manage the production of Certificates.

Ms. Berg then presented a Power Point presentation describing what Title Guaranty does and how they serve Iowa realtors, lenders, abstractors, attorneys and homeowners. She described the various products TGD offers, as well as many changes they are implementing to improve their services and to encourage the use of Owner's Certificates to better protect homeowners. A copy of the Power Point presentation is available upon request from IFA's office.

## **COMMUNICATIONS**

Ms. Lode thanked Mr. Caudron for his help on the homeownership press event in Sioux City in December.

Ms. Lode referred to two postcards included in the Board packet. She said IFA sent them to 54 properties in Iowa utilizing HUD Section 202 loans, to inform them of the opportunity to refinance those loans with IFA for a substantial savings. The first postcard was mailed on January 2, 2007, and a second one was sent on January 9, 2007. Ms. Lode also reported that IFA has notified Iowa communities of the new online webtool for SRF, and interest from communities is increasing.

Ms. Lode noted that she and Mr. Mark Davitt traveled around the state to take photos for use in the newest annual report, which is due from the printer on Friday, January 12, 2007. She said she would send copies to the Board members as soon as we receive them.

Ms. Lode stated that IFA is preparing to announce the change in the FirstHome Plus down payment assistance. Ms. Lode also noted that she is working with Mr. Ogle and Ms. Berg to announce the changes in the TGD Owner Certificates, which will be offered at no charge beginning this spring.

Ms. Lode encouraged the Board members and others to visit IFA's booth at the Des Moines Home Show February 7-11, 2007, where the Single-Family Program staff will be marketing IFA's homeownership programs.

### **Introduction of Mr. Joseph Jones**

Chair Lintz asked Mr. Jones to introduce himself and tell of his background before joining IFA staff as Director of Government Relations.

Mr. Jones said he is a native of Shreveport, Louisiana, and told of his educational background. He stated that he most recently worked as Press Secretary for Lt. Governor Sally Pederson. Mr. Jones said he looks forward to working with IFA, the state legislators and the congressional delegation, as he helps educate them about IFA's programs.

## **MISCELLANEOUS ITEMS**

### **Receive Comments from General Public**

Chair Lintz opened the public comment period and asked if anyone in the audience would like to address the Board.

Mr. Bruce Ray, from the Des Moines HUD office, expressed his appreciation for the relationship his office has with IFA. He thanked IFA staff for assistance in answering questions from constituents, and noted he was happy to hear of the reappointment of Mr. Mills as IFA's Executive Director.

There being no other audience members wishing to address the Board, Chair Lintz closed the public comment period.

### **ADJOURNMENT**

There being no further business, on a motion by Mr. Adams and a second by Ms. Kramer, the January 10, 2007, meeting of the IFA Board of Directors adjourned at 12:35 p.m.

Dated this 7<sup>th</sup> day of February 2007.

Respectfully submitted:

Approved as to form:

Bret L. Mills  
Executive Director  
Iowa Finance Authority

Vincent Lintz, Chair  
Iowa Finance Authority

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